

Old Age, Disability, Death

First and current laws: 1953 (old age and survivor pensions), 1970 (disability), 1980 (long-term care), and 1982 (income support benefits).

Type of program: Social insurance system.

Exchange rate: U.S.\$1.00 equals 3.04 new shekels (NS).

Coverage

All residents aged 18 and over, except persons who immigrated after age 60.

(Optional coverage in some cases for nonemployed women.)

Source of Funds

Insured person: Employee, 1.46% of earnings below one-half of national average wage for old-age and survivors, 0.71% for disability and 0.05% for long-term care. 2.7% of earnings above one-half average wage for old-age and survivors; 1.3% for disability; 0.1% for long-term care.

Self-employed, 1.67% of earnings below one-half of average wage for old-age and survivor pensions; 0.69% for disability; 0.06% for long-term care. Rates on earnings above one-half of average wage; 3.37%, 1.40% and 0.12%, respectively.

Income support benefit: No contribution.

Employer: 0.67% of payroll for old-age and survivor pensions; 0.10% for disability; 0.02% for long-term care.

Income support benefit: No contribution.

Government: 2.05% on earnings above one-half of average wage for old-age and survivors, 0.55% for disability, and 0.08% for long-term care. Reduced contributions on earnings below one-half of average wage, both for employees and self-employed. In addition to insurance contributions, government provides an amount equal to 15% of employee and employer contributions paid for old age and survivors. Also, entire cost of pension to uninsured (new immigrants) and cost of income support benefit programs, as well as 50% of cost of pension to those disabled before enactment of 1970 law. Long-term care: No contribution. Government subsidizes cost of benefits to new immigrants.

Maximum earnings for contribution purposes: 4 times the average wage as of January 1 each year all insured persons; minimum, 25% of average wage.

Average wage as defined in National Insurance Law for purposes of calculation of benefits and collection of insurance contribution, 4,083 in 1995.

Qualifying Conditions

Old-age pension: Age 65 (men) or 60 (women). 5 years of insurance in last 10, or total of 12 years' insurance. (No qualifying period for insured women widowed, divorced, deserted, married to uninsured husband, or unmarried and aged 55 or over at time of immigration.) Pension reduced if income from work exceeds 57%-76% of average wage (according to number of dependents), until age 70 (65 for women).

Income supplement, see income support benefit below.

Long-term care benefit: Age 65 (men) or 60 (women), not institutionalized, dependent upon help of others for performance of everyday functions or need of supervision; means-tested.

Income support benefit: 24 months continuous residence, subject to a means test (12 months for new immigrants).

Disability pension: Medical disability of at least 40% and earning capacity reduced by at least 50% (disabled housewife, medical disability of at least 50%).

No qualifying period. Israeli resident aged 18-65 (18-60 for women).

Attendance allowance: At least 60% disabled if receiving disability pension and at least 75% disabled and means-tested for those not receiving disability pension.

Benefit for disabled child: Residing in Israel, not institutionalized or with foster family, not receiving mobility allowance. Income test for parents.

Survivor pension: Deceased had 12 months of insurance prior to death, or 24 months in last 5 years, 60 months in last 10 years or met qualifying period for old-age pension. Income supplement, see income support benefit above.

Old-Age Benefits

Old-age pension: 16% of average wage as defined in National Insurance Law (see Source of Funds), 24% for couple.

Dependents' supplements: 5% of average wage for each of first 2 children.

Old-age pension with income supplement: 25% of average wage, 37.5% for couple, 47.5% for couple with one child, 57.5% for couple with 2 or more children.

Increments: Pension is increased by 2% per year of coverage beyond 10 years, and 5% of pension for each year retirement postponed.

Maximum increments, 50% and 25%, respectively.

Income support benefit (income-tested): 20%-25% of average wage, 30%-37.5% for couple. (Varies with age and duration of benefit).

Long-term care cash benefit: 80% of rate of long-term care service benefit (see Permanent Disability Benefits).

Adjustment: Automatic adjustment of benefits for changes in average wage.

Permanent Disability Benefits

Disability pension: If 100% disabled, pension equals 25% of average wage without income test; partial disability, proportionally reduced.

Dependents' supplements (income-tested): Up to 12.5% of average wage (see old-age pension) for spouse, and 10% each for first 2 children.

Attendance allowance: 50%, 100%, or 150% of full single disability pension (30%, 60%, or 90% if housewife) according to degree of disability.

Benefit for disabled child: 30%-120% of full single disability pension.

Long-term care service benefit (transferred directly to service provider): 25% of average wage if largely dependent on help, 37.5% if completely dependent.

Automatic adjustment of benefits: Same as old-age pension.

Survivor Benefits

Survivor pension: Surviving spouse, 16% of average wage (see old-age pension) if age 50 or over, or caring for child (income-tested for

widowers). 2% increment for insurance years of deceased beyond 10.
Reduced pension for widow/widower aged 40-49 with one child: 12% of average wage. Lump sum of 3 years' full pension if under age 40 and without child.
On receipt of old-age pension, survivor pension reduced by one-half.
Adjustment: Automatic adjustment of benefit: same as for old-age pension.
Orphans: 7.5% of average wage for each child. Full orphans, 10% each.
Survivor benefit with income support with benefit (income-tested):
Widow/widower without child, 25% of average wage;
Widow/widower with 1 child, 42.5% of average wage (less NS121 in 1995); with 2 or more children, 52.5% (less NS121 in 1995).
Death grant (lump sum): 100% of average wage, 150% if receiving income support.
Funeral grant: Cost of burial up to a fixed amount.

Administrative Organization

Ministry of Labor and Social Affairs, general supervision.
National Insurance Institute, administration of program, contributions, and benefits through its branch offices.

Sickness and Maternity

First and current law: 1953; 1976 (sickness); 1995 (medical care).
Type of program: Social insurance system.

Coverage

Sickness benefits (all employees); **medical care** (all residents).
Maternity benefits: Employed and self-employed women aged 18 or over. Also payable to women who adopt a child under age 10.
Maternity grant: Insured woman or wife of insured, including non-resident, if working in Israel at least 6 months immediately preceding birth.

Source of Funds

Insured person: Employee, 4.8% of earnings, 0.6% for maternity (3.1% and 0.33% on earnings below one-half of national average wage). Self-employed, 0.64% of earnings; in addition, 4.95% for medical care (2.40% on earnings below one-half of average wage).
Employer: 0.04% of payroll for maternity. In addition, contributes 4.95% toward medical care (2.93% on earnings below one-half of average wage).
Government: 0.21% of earnings (reduced contribution for earnings below one-half of average wage).
Maximum earnings for contribution and benefit purposes: 4 times average wage.

Qualifying Conditions

Cash maternity benefits: 10 months of insurance as employed or self-employed woman in last 14 months, or 15 months in last 22 months; (if only 6 months of insurance in last 14 months, benefit payable for 6 weeks only). Multiple-birth allowance: 3 or more children, 2 of whom at least survive past 30 days.
Maternity grant: Birth for which hospitalization necessary.

Sickness and Maternity Benefits

Sickness benefit: 75% of earnings for 90 days (up to 100% without limit if stipulated in labor agreement).
Maternity benefit: 100% of earnings (minus taxes and insurance). Payable for 12 weeks.
Adjustment: Benefits adjusted for cost-of-living increments paid to employees.
Maternity grant: NS817 for layette (higher for multiple births).
Fixed payment for cost of transportation to hospital in certain cases.

Workers' Medical Benefits

Medical benefits: Services provided by doctors and hospitals owned and operated by, or under contract to, the fund.
Includes general and specialist care, medicines, laboratory services, hospitalization, and rehabilitation. Patient pays partial cost of drugs and appliances.

Dependents' Medical Benefits

Medical benefits for dependents: Same as for insured.
If insured woman dies within one year of childbirth, spouse may stop work to care for child and receive 75% of earnings, subject to a maximum, for up to 12 weeks.
Multiple-birth allowance: For each child born, 30% of average wage for 24 months (12 months if survivor or dependent's benefit paid for child).

Administrative Organization

Ministry of Labor and Social Affairs, general supervision.
National Insurance Institute, administration of maternity program.
Sickness insurance and medical care administered by 4 funds under Ministry of Health.

Work Injury

First and current laws: 1953 (employees), 1956 (self-employed).
Type of program: Social insurance system.

Coverage

Employees, self-employed persons, members of cooperatives and migrant workers (including residents of territories).

Source of Funds

Insured person: Employee, none.
Self-employed, 0.23% of earnings (0.11% of earnings below one-half of average wage).
Employer: 0.23% of payroll.
Government: 0.47% of payroll and earnings (reduced rate for earnings below one-half of average wage).
Maximum earnings for contribution and benefit purposes: See old-age pension above.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: 75% of earnings.

Payable after 2-day waiting period (paid retroactively if disability lasts 12 days) for up to 182 days.

Adjustment: Adjusted after 91st day according to changes in average wage (see old-age pension above) and updated according to employee cost-of-living adjustments.

Permanent Disability Benefits

Permanent disability pension: 75% of earnings, if totally disabled.

Partial disability: Percent of full pension proportionate to degree of disability, if 20% to 99% disabled; lump sum, if 5% to 19% disabled.

Adjustment: Adjusted for changes in average wage (see old-age pension above) and employee cost-of-living adjustments.

Workers' Medical Benefits

Medical benefits: Cost of medical attendance, hospitalization, medicines, appliances, transportation, and rehabilitation.

Survivor Benefits

Survivor pension: 60% of total disability pension of insured if age 50, disabled, or caring for child; 40% of pension if age 40-49; otherwise, lump sum of 3 years' pension.

Payable to widow or dependent disabled widower.

Orphans: 20% of pension of insured for 1st orphan, 10% each for 2nd and 3rd.

Full orphans: 60% of pension for 1st, 20% for 2nd, and 10% each for 3rd and 4th.

Death grant (lump sum): 100% of average wage, 150% if receiving income support benefit (see old-age pension above.)

Other dependent relatives (if no spouse or orphan): 50% of pension of insured for 1 dependent, up to 100% for 4 or more.

Funeral grant: Cost of burial up to fixed amount.

Administrative Organization

Ministry of Labor and Social Affairs, general supervision.

National Insurance Institute, administration of program (including both contributions, and benefits) through its branch offices.

Maximum earnings for contribution and benefit purposes: See old-age pension above.

Qualifying Conditions

Unemployment benefit: Insured wage earner, 180 days of contribution out of 360 days, or 270 days out of 540.

Insured salaried worker, 150 days of contribution out of 360 days, or 225 days out of 540. Minors, 100 days out of 360 days. Registered at the labor exchange and capable of work.

Unemployment not due to voluntary leaving or refusal of suitable offer.

Unemployment Benefits

Unemployment benefit: 40%-80% of wage during last 75 work days of qualifying period. Maximum daily benefit: NS291.76.

Payable after 5-day waiting period. Maximum: 138 days per year

(175 days for unemployed person over age 45 or with 3 dependents).

Adjustment: Benefits adjusted according to changes in average wage (see old-age pension above) and updated according to employee cost-of-living adjustments.

Administrative Organization

Ministry of Labor and Social Affairs, general supervision.

National Insurance Institute, administration of program (including contributions and benefits) through its branch offices.

Family Allowances

First law: 1959.

Current law: 1975.

Type of program: Universal system.

Coverage

Residents with 1 or more children. Special allowance for 3rd and subsequent children (in addition to the regular family allowance) if any member of family has served or is serving in Armed Forces.

Source of Funds

Insured person: Employee, none. Self-employed, 0.81% of earnings.

Employer: 0.81% of payroll.

Government: 1.67% of payroll. Reduced rates on earnings below one-half of average wage. Also, amount equal to 130% of contributions paid. Also, whole cost of special allowances.

Maximum earnings for contribution and benefit purposes: See old-age pension above.

Qualifying Conditions

Family allowances: Child must be under age 18.

Special allowance (3rd and subsequent children): Past or present service in Armed Forces.

Family Allowance Benefits

Family allowances (including special allowance): NS121 a month for each of first 2 children, NS241 for 3rd, NS488 for 4th,

Unemployment

First and current law: 1970.

Type of program: Social insurance system.

Coverage

Employees aged 18 and over, and under pensionable age; age 15-18 if partially supporting parents, or without parents and undergoing vocational training.

Exclusions: Self-employed, nonemployed, and members of cooperatives or small-holders' settlements.

Source of Funds

Insured person: Employee, 0.15% of earnings (0.08% of earnings below one-half of average wage).

Employer: 0.04% of payroll.

Government: 0.11% of payroll (0.07% of earnings below one-half of average wage).

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NS410 for 5th child, and NS452 for 6th and each subsequent child, in January 1995.

Adjustment: Automatic adjustment for changes in general price levels 4 times a year.

Administrative Organization

Ministry of Labor and Social Affairs, general supervision.

National Insurance Institute, administration of program (including contributions and benefits) through its branch offices.

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